PEO – EIS Day

Contemporary Logistics Arena

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Introduction

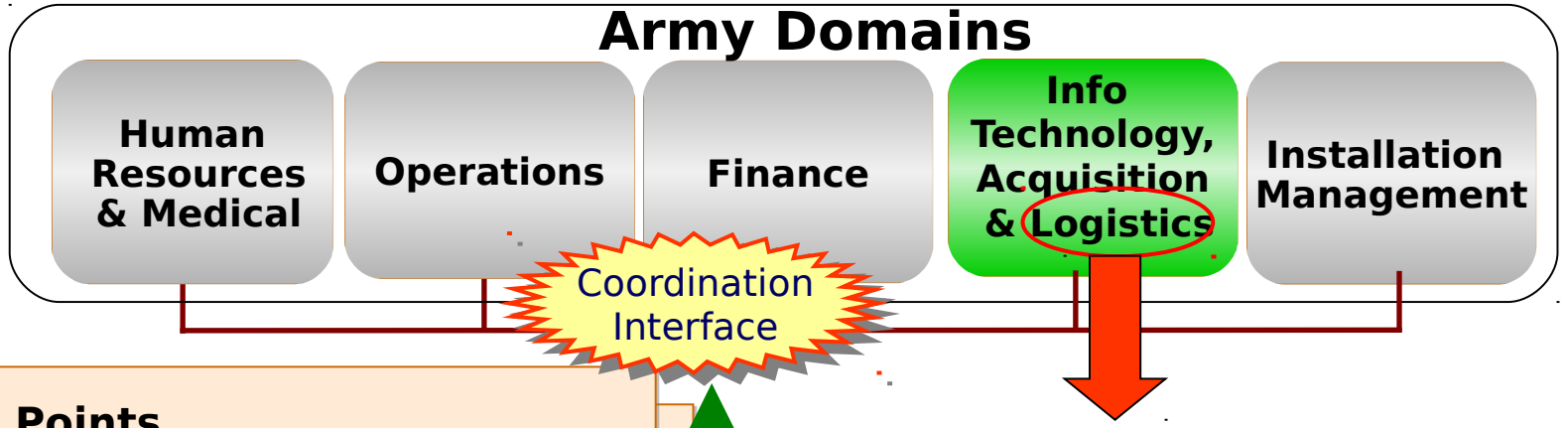
- Purpose: Discuss the Army's approach to deliver an integrated logistics environment

Achieving an Enterprise Solution
-- Necessary ingredients and challenges

- Topics:
  - Logistics as one component within Army's Functional Domains
  - Achieving a Single Army Logistics Enterprise
    - Methodology
    - Vision and Planning
    - Governance
    - Portfolio Management
    - Management Tools
  - ERP Lessons Learned
  - Conclusion

Requires a change in mind set

How Logistics Fits Into the Larger Picture



Key Points

- ➔ **Cannot be successful without working between Areas/ Domains**
  - **All are at various stages of modernization/development**
  - **Must consider our program(s) as a component of a larger enterprise**
- ➔ **Working with multiple domains, demand that each have a deliberate plan—we have process touch points that cross domains**

Army Enterprise Integration Oversight Office

Architectures

Governance

Relationships

Single Army Logistics Enterprise

- **Integration demands new methods & processes**
  - **Business Process orientation**
  - **Strategies, Architectures, & Standards Group**
  - **Archit**

Like "traffic cops"-- deliberate processes avoid potential collisions

Integrated Logistics Enterprise = Common Operating Picture

Single Army Logistics Enterprise (SALE)

- End to End Business View -

"Factory"

Army Logistics Enterprise

LMP

Master Data Management

PLM+

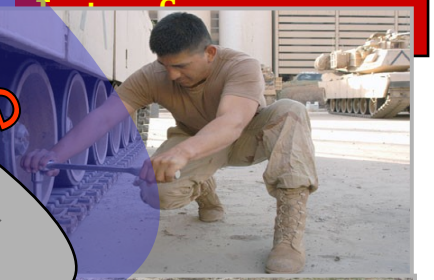
Information Exchange

GCSS Army

Defense Finance & Accounting Service (DFAS)
Defense Automatic Addressing System Center (DAASC)

Personnel Systems

External



Original Equipment Manufacturer (OEM)

Defense Logistics Agency (DLA)

TRANSCOM

Close coordination between AMC and PEO EIS and PMs

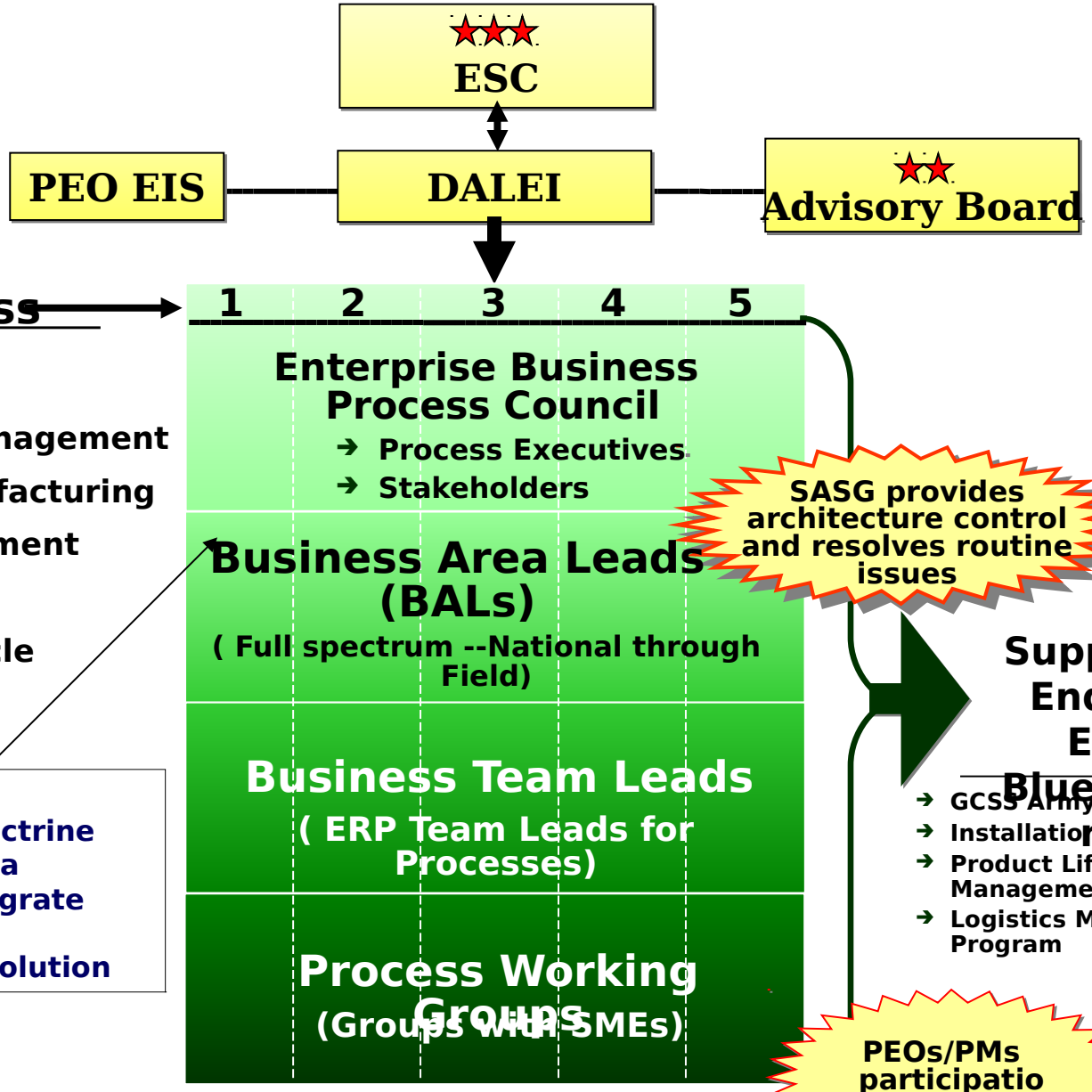
External Interfaces

- **LMP**: Logistics Modernization Program
- **GCSS Army**: Global Combat Support System Army
- **PLM+:** Product Life-cycle Management Plus

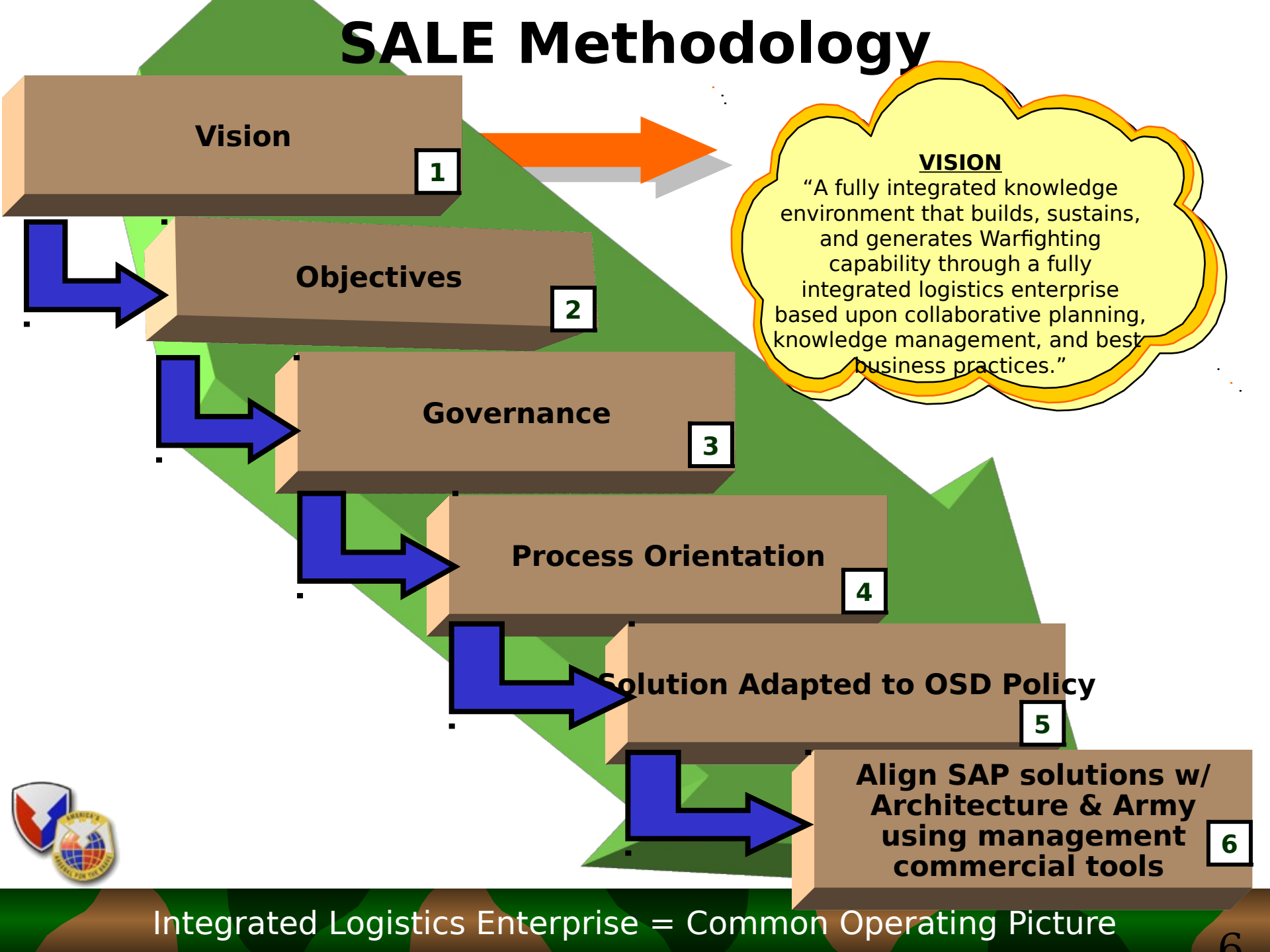
Integrated Logistics Enterprise = Common Operating Pict

"Foxhole"

Logistics Enterprise-- Business Process Orientation



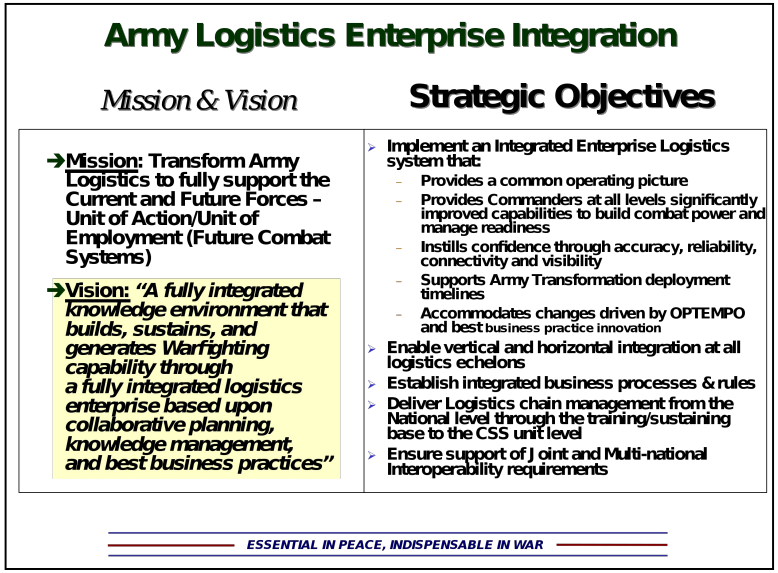
SALE Methodology

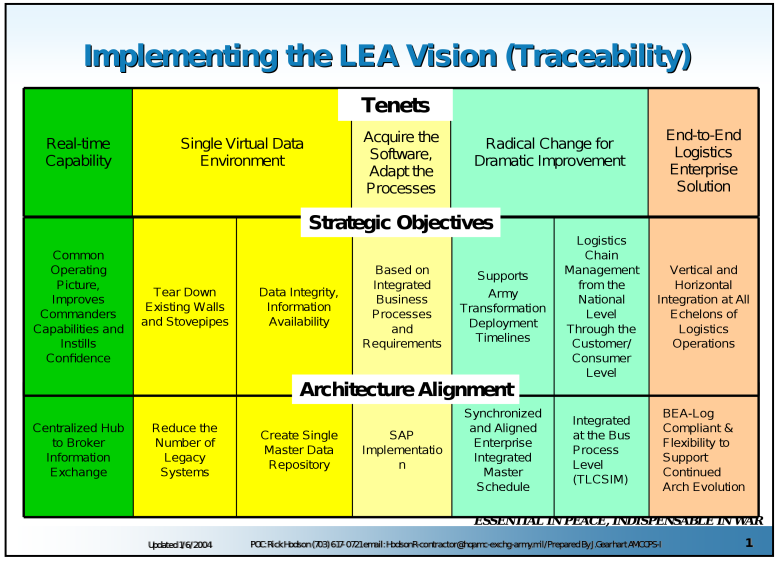

Vision
1
Objectives
2
Governance
3
Process Orientation
4
Solution Adapted to OSD Policy
5
Align SAP solutions w/ Architecture & Army using management commercial tools
6
VISION
"A fully integrated knowledge environment that builds, sustains, and generates Warfighting capability through a fully integrated logistics enterprise based upon collaborative planning, knowledge management, and best business practices."

Integrated Logistics Enterprise = Common Operating Picture

Vision and Planning

- Create mission statement and detailed strategy and goals
- Regular review to ensure program remains on track and to manage "scope" creep
- Put an architecture in place
  -- it is your Blueprint!
- Create a Campaign Plan and communicate to the world
- Think through and develop your message
  - Expect lots of open and tough dialogue -- part of change management process


Army Logistics Enterprise Integration
Mission & Vision
Strategic Objectives
Mission: Transform Army Logistics to fully support the Current and Future Forces – Unit of Action/Unit of Employment (Future Combat Systems)
Vision: "A fully integrated knowledge environment that builds, sustains, and generates Warfighting capability through a fully integrated logistics enterprise based upon collaborative planning, knowledge management, and best business practices"
Implement an Integrated Enterprise Logistics system that:
Provides a common operating picture
Provides Commanders at all levels significantly improved capabilities to build combat power and manage readiness
Instills confidence through accuracy, reliability, connectivity and visibility
Supports Army Transformation deployment timelines
Accommodates changes driven by OPTEMPO and best business practice innovation
Enable vertical and horizontal integration at all logistics echelons
Establish integrated business processes & rules
Deliver Logistics chain management from the National level through the training/sustaining base to the CSS unit level
Ensure support of Joint and Multi-national Interoperability requirements
ESSENTIAL IN PEACE, INDISPENSABLE IN WAR


Implementing the LEA Vision (Traceability)
Tenets
Real-time Capability
Single Virtual Data Environment
Acquire the Software, Adapt the Processes
Radical Change for Dramatic Improvement
End-to-End Logistics Enterprise Solution
Strategic Objectives
Common Operating Picture, Improves Commanders Capabilities and Instills Confidence
Tear Down Existing Walls and Stovepipes
Data Integrity, Information Availability
Based on Integrated Business Processes and Requirements
Supports Army Transformation Deployment Timelines
Logistics Chain Management from the National Level Through the Customer/ Consumer Level
Vertical and Horizontal Integration at All Echelons of Logistics Operations
Architecture Alignment
Centralized Hub to Broker Information Exchange
Reduce the Number of Legacy Systems
Create Single Master Data Repository
SAP Implementation
Synchronized and Aligned Enterprise Integrated Master Schedule
Integrated at the Bus Process Level (TLCSIM)
BEA-Log Compliant & Flexibility to Support Continued Arch Evolution
ESSENTIAL IN PEACE, INDISPENSABLE IN WAR
Updated 1/6/2004
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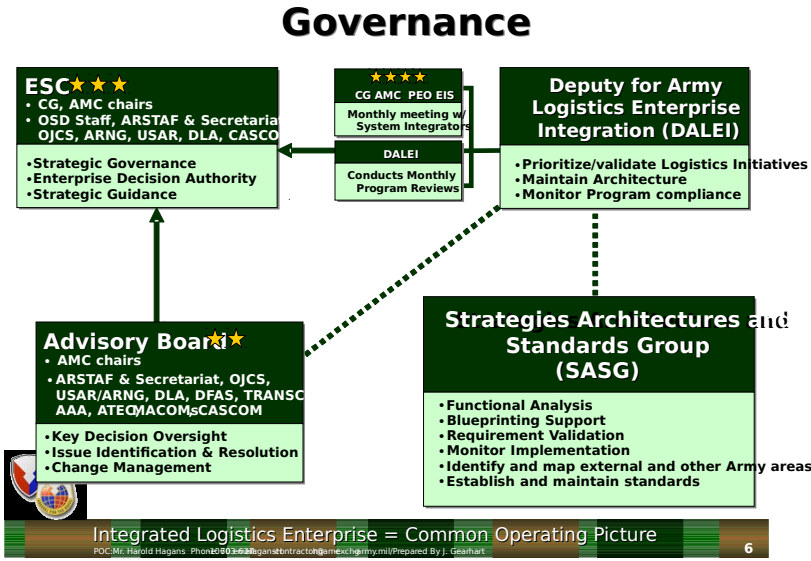
Integrated Logistics Enterprise = Common Operating Picture

Governance

- Establish Governance processes
  - Multiple levels
- Identify a Champion
- Define critical touch points – make sure key players are represented in forums
- Develop thresholds for determining when issues should be elevated for final resolution
- Develop out-of-cycle decision processes
- Link efforts with the user
- Partnering with private sector partners essential
- <u>Bottomline</u>: Develop formal and informal governance mechanisms

The Key Component



Management Oversight

- Champion: ESC
- Senior Level: 2 Star

Architecture Enforcement

- Day-to-Day focal Point

Strategies, Architectures & Standards Group (SASG)

PEO EIS Membership at all Levels – ESC through SASG

Log Portfolio Management– Key Ingredient

Mission Statement

Develop Army's prioritized Logistics IT Portfolio Plan, Process, and Repository that redefines Army-wide Log IT Systems Management as an Integrated Business Process in direct support of a Single Army Logistics Enterprise

Task: Manage Army Logistics Business Application Investments

- Identify & establish central repository -- categorize by capabilities
- Validate new, current, invalid, subsumed, migrated, & retired business applications
- Support Architecture, Blueprint requirements
- Track/drive IT retirements/migrations to ERP solution
- Prioritize on costs, savings, offsets
- Work transition strategy
- Ensure regulatory compliance

Status

- AKO site serving as interim repository providing functional visibility
- Providing data support to SASG
- Documented 35 retired applications
- Hosted POM workshops ICW Army G4 on mission critical/mission essential priorities
- Refining Portfolio Plan
- Actively participating in Army and OSD workshops

Enabler in FY06-11 POM Process

Tools to Manage the Logistics Enterprise

Architecture Modeling

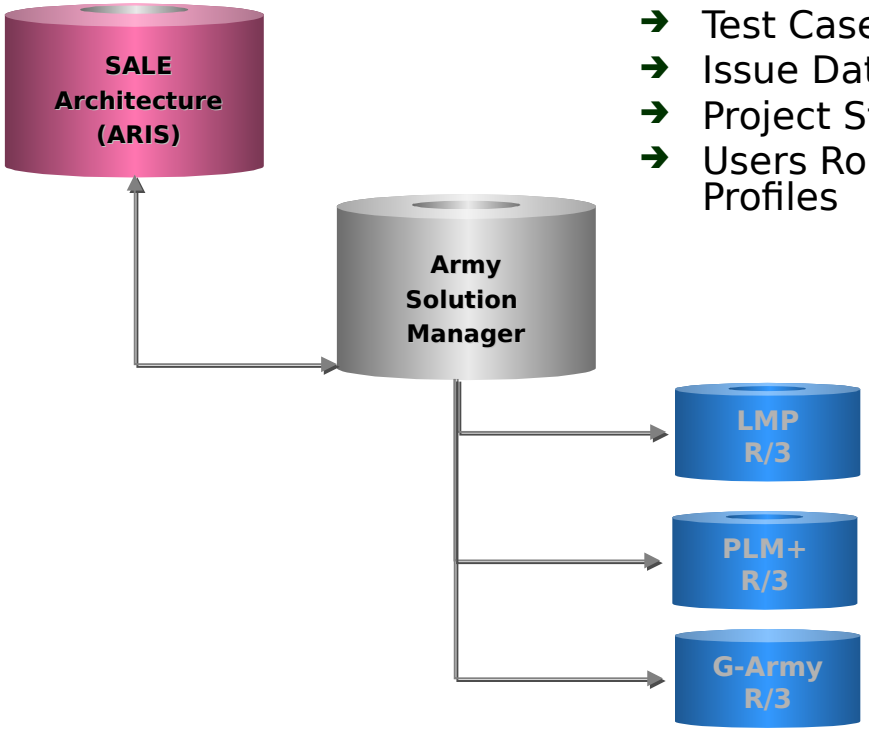
Manage Enterprise Projects Holistically

ARIS

- SALE Architecture Documentation
- Operational Views
- System Views
- End-to-End Scenarios
- Business Process Flows/Maps

Solution Manager

- Project Scope
- Scenario Definitions
- System Organization Definition
- Business Processes Components
- Business Process Procedures
- Test Scenarios
- Test Cases
- Issue Database
- Project Status
- Users Roles and Authorization Profiles



SAP Applications

- Configuration Data (IMG)
- System Organization
- Master Data Definition
- Users Roles and Authorization Profiles

ERP Lessons Learned -- Logistics Modernization Program

- Insure a robust Government program management staff
  - Includes acquisition qualified personnel on core staff
- Use SAP functionality -- Change Business Processes
  - Tailor Business Processes
- Eliminate interfaces where possible
- Train using live/simulated data--focused on new business rules
  & processes
- Empower right people to make key decisions
- Stringent Test/Evaluation Performance measure at all stages
  - Be realistic with your schedule
- Ensure users take “ownership” of the system early in development
  - Don’t overlook the importance of Change Management

Conclusion

- **Multiple Domains demand a strong plan & commitment to synchronize the Army Enterprise**
- **Delivering a Single Army Logistics Enterprise requires leadership, flexibility, and new processes**
- **Essential Considerations-- Strategic Vision/Planning, Governance, Innovative technical solutions**
- **Managing multiple cross functional ERP implementations will mean that we must synchronize our processes, respective program schedules, resource profiles and portfolio management plans**